

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2019-5-G
October 30, 2019

IN RE:

Annual Review of Purchased Gas Adjustment)
 and Gas Purchasing Policies of Dominion)
 Energy South Carolina, Incorporated f/k/a)
 South Carolina Electric & Gas Company)
 _____)

STIPULATION

This Stipulation is made by and between the South Carolina Office of Regulatory Staff (“ORS”) and Dominion Energy South Carolina, Incorporated f/k/a South Carolina Electric & Gas Company (“DESC” or “Company”) (collectively referred to as the “Parties” or sometimes individually as “Party”);

WHEREAS, on June 12, 2019, the Public Service Commission of South Carolina (“Commission”) issued a Notice of Hearing and Pre-file Testimony Deadlines for the 2019 Annual Review of Purchased Gas Adjustment and Gas Purchasing Policies (“PGA”) of DESC;

WHEREAS, the purpose of this proceeding is to review matters related to DESC’s gas purchasing practices and policies, administration of its purchased gas adjustment, and the recovery of its gas costs;

WHEREAS, the period under review in this docket is August 1, 2018, through July 31, 2019 (“Review Period”);

WHEREAS, ORS examined the books and records of DESC and conducted inquiries and analyses related to the Company's gas purchasing practices and policies, administration of its purchased gas adjustment, and the recovery of its gas costs for the Review Period;

WHEREAS, ORS determined that during the Review Period, DESC: a) properly administered the purchased gas adjustment and correctly adjusted the gas cost recovery factors for each customer class in accordance with the terms of Commission Order No. 2006-679 as modified by Commission Order No. 2009-910; b) employed prudent gas purchasing practices and policies; c) recovered its gas costs consistent with applicable tariffs and Commission orders; and d) was prepared during the Review Period and is currently prepared to meet its firm customers' projected needs via its future supply and capacity asset plans;

WHEREFORE, the Parties have engaged in discussions and in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

1. The Parties agree to stipulate into the record before the Commission this Stipulation. The Parties further agree to stipulate into the record without cross-examination the pre-filed direct testimony and exhibits of Company witnesses Rose M. Jackson and Rachel R. Elliott, and ORS witness Zachary J. Payne as well as pre-filed direct testimony of Company witness Felicia D. Howard. Furthermore, each witness will take the stand to present his or her testimony and, if necessary, make non-material changes to their testimony comparable to those that would be presented via an errata sheet or through a witness noting a correction. The Parties reserve the right to engage in the redirect examination of their witnesses as necessary to respond to any issue raised during the examination of their witnesses by the Commission. With respect to this Stipulation, Company Witness Jackson is the witness designated to be primarily responsible for providing support for the Stipulation at the hearing scheduled in this case. For clarity, DESC does not agree

to stipulate into the record the pre-filed direct testimony of ORS witness Anthony M. Sandonato and specifically reserves its right to cross-examine Mr. Sandonato.

2. For the purpose of setting the gas cost recovery factors, the Parties accept the calculations of the purchased gas adjustment (over)/under collections for the Review Period, set forth in Stipulation Exhibit No. 1 attached hereto (Exhibit No. ____ (RRE-1)).

3. The Parties agree to maintain the monthly adjustment procedure and notification procedure for the total cost of gas factors as adopted in Commission Order No. 2006-679 as modified by Commission Order No. 2009-910.

4. The Parties acknowledge the demand charges included in the total cost of gas factor will continue to be calculated as set forth in Commission Order No. 2006-679 in Docket No. 2006-5-G by distributing such costs among the rate schedules based upon a 50-50 allocation of peak design day demand and annual forecast sales. The Parties agree that the allocation factors contained on page 4 in Company Witness Elliott's pre-filed direct testimony (Residential 66.43%; Small General Service/Medium General Service 28.78%; and Large General Service 4.79%) are appropriate and should be used for the demand cost of gas calculations beginning with the first billing cycle of January 2020.

5. As part of this Stipulation, the Parties agree that DESC shall continue to charge and recover carrying costs, if applicable, on the cumulative total (over)/under-collection balances in the same method and with the same limitations as set forth in Commission Order No. 2006-679 in Docket No. 2006-5-G.

6. The modifications to the General Terms and Conditions for natural gas service as set forth in Exhibit No. ____ (RMJ-4) that is subject of the legal issue presented by ORS in its letter dated October 8, 2019, is not part of this Stipulation.

7. ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code Ann. § 58-4-10(B) (Supp. 2018). S.C. Code Ann. § 58-4-10(B) reads in part as follows:

For purposes of this chapter only, “public interest” means the concerns of the using and consuming public with respect to public utility services, regardless of the class of customer, and preservation of continued investment in and maintenance of utility facilities so as to provide reliable and high-quality utility services.

ORS believes this Stipulation reached among the Parties serves the public interest as defined above.

8. The Parties agree to advocate that the Commission accept and approve this Stipulation in its entirety. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Stipulation and the terms and conditions contained herein.

9. The Parties agree that signing this Stipulation will not constrain, inhibit, impair, or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Stipulation in its entirety, then any Party desiring to do so may withdraw from the Stipulation without penalty or obligation.

10. This Stipulation shall be interpreted according to South Carolina law.

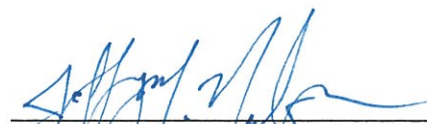
11. The Parties represent that the terms of this Stipulation are based upon full and accurate information known as of the date this Stipulation is executed. If, after execution, but prior to a Commission decision on the merits of this proceeding, a Party is made aware of information that conflicts, nullifies, or is otherwise materially different than that information upon which this Stipulation is based, that Party may withdraw from the Stipulation with written notice to every other Party.

12. The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Stipulation by affixing its signature or by authorizing its counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and e-mail signatures shall be as effective as original signatures to bind any Party. This document may be signed in counterparts, with the various signature pages combined with the body of the document constituting an original and provable copy of this Stipulation. The Parties agree that in the event any Party should fail to indicate its consent to this Stipulation and the terms contained herein, then this Stipulation shall be null and void and will not be binding on any Party.

[SIGNATURES ON THE FOLLOWING PAGES]

WE AGREE:

Representing South Carolina Office of Regulatory Staff



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WE AGREE:

Representing Dominion Energy South Carolina, Inc.

A handwritten signature in cursive script, reading "Matthew W. Gissendanner".

K. Chad Burgess, Esquire

Matthew W. Gissendanner, Esquire

Dominion Energy South Carolina, Inc.

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Stipulation Exhibit I
Exhibit No. ____ (RRE-1)

**DOMINION ENERGY SOUTH CAROLINA, INC.
PURCHASED GAS ADJUSTMENT
(OVER)/UNDER COLLECTION**

	COMM. COST PER THERM (COL. 1)	BILLING COMM. COST PER THERM (COL. 2)	DIFFERENCE (COL. 3) (1-2)	FIRM SALES THERMS (COL. 4)	COMMODITY (OVER)/UNDER COLLECTION (COL. 5) (3x4)	DEMAND (OVER)/UNDER COLLECTION (COL. 6)	TOTAL (OVER)/UNDER COLLECTION (COL. 7) (5+6)	CUMULATIVE (OVER)/UNDER COLLECTION (COL. 8)
							BEGINNING BALANCE	\$6,413,145
AUG 18	\$0.25154	\$0.29678	(\$0.04524)	8,663,360	(\$392,492)	\$2,532,094	\$2,139,602	\$8,552,747
SEP 18	\$0.27354	\$0.29678	(\$0.02324)	7,820,204	(\$196,763)	\$2,671,763	\$2,475,001	\$11,027,747
OCT 18	\$0.47372	\$0.29678	\$0.17694	8,646,063	\$1,557,948	\$937,034	\$2,494,981	\$13,522,729
NOV 18	\$0.70990	\$0.30072	\$0.40918	16,737,229	\$6,634,726	(\$7,032,190)	(\$397,465)	\$13,125,264
DEC 18	\$0.52184	\$0.30072	\$0.22112	35,986,149	\$7,471,143	(\$7,521,922)	(\$50,779)	\$13,074,485
JAN 19	\$0.46605	\$0.37309	\$0.09296	39,195,097	\$3,386,035	(\$9,212,050)	(\$5,826,015)	\$7,248,470
FEB 19	\$0.22542	\$0.35069	(\$0.12527)	40,969,066	(\$5,180,809)	\$2,675,545	(\$2,505,263)	\$4,743,207
MAR 19	\$0.32872	\$0.35069	(\$0.02197)	28,869,509	(\$331,114)	\$924,362	\$593,249	\$5,336,455
APR 19	\$0.19738	\$0.35069	(\$0.15331)	21,652,494	(\$2,659,724)	\$4,302,387	\$1,642,663	\$6,979,118
MAY 19	\$0.21453	\$0.35069	(\$0.13616)	12,070,512	(\$1,481,084)	\$4,101,567	\$2,620,482	\$9,599,601
JUN 19	\$0.25116	\$0.32804	(\$0.07688)	9,173,735	(\$495,486)	\$3,224,127	\$2,728,641	\$12,328,242
JUL 19	\$0.22544	\$0.32804	(\$0.10260)	9,175,726	(\$742,637)	\$3,098,267	\$2,355,631	\$14,683,872